MULTIMEDIA UNIVERSITY

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FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BIB3114 – ISLAMIC BANKING

(All sections / Groups)

6 JULY 2023
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 3 pages with 4 Questions only.
2. Answer **ALL** questions. Marks are shown at the end of each question.
3. Please write all your answers in the Answer Booklet provided.

Question 1 (25 marks)

(a) Briefly explain the differences between Al-Bai Bithaman Ajil and Murabahah. Illustrate these differences in a diagram between repayment method and duration of financing.

(10 marks)

(b) Ijarah is also known as Islamic lease which means to obtain good or service on rent. Explain and illustrate with a diagram the process of Ijarah operating lease with three parties, whom are the lessor, vendor and lessee. Assuming the bank's customer intend to lease a car for four years.

(15 marks)

(TOTAL: 25 MARKS)

Question 2 (25 Marks)

Briefly explain the two contracts being applied to Islamic Letters of Credit. Explain the process of a Wakalah Letter of Credit with a diagram.

(25 marks)

(TOTAL: 25 MARKS)

Question 3 (25 Marks)

(a) Define Bai' Salam principle and explain when this principle is being used. Show the example with a diagram.

(12 marks)

(b) Explain with a diagram, the transaction using Bai' Salam principles for Ahmad who sold two tons of palm oil to the bank for RM10,000 per tons and the bank sell it to the market at RM15,000 per tons.

(13 marks)

(TOTAL: 25 MARKS)

Continued...

Question 4 (25 marks)

(a) The branches of Islamic Bank are required to supply the balance of the accounts in their daily or weekly reports. To comply with this requirement, you are required to compute the monthly daily average balance of customers' deposit using the following information:

Date	Daily balances (RM million)
1	12.91
2	10.29
3	11.29
4	12.92
5	12.39
6	14.29
7	12.90
8	12.49
9	19.29
10	17.29
11	12.29
12	12.91
13	12.29
14	16.29
15	12.90
16	12.91
17	12.91
18	12.91
19	11.29
20	11.29
21	11.29
22	17.29
23	12.29
24	12.91
25	12.29
26	16.29
27	12.90
28	11.29
29	11.29
30	17.29
31	12.29

Based on the above data, compute the monthly daily average balance for this bank.
(4 marks)

Continued...

(b) Assuming the CD Pool of Profit for the month is RM9.2 million and Total Weighted Proportion of Profits is RM880.145 million. Compute for the depositor and banks for savings and both investment accounts the:

(i) Weighted Proportion of Profits (RM) for each deposit. (3 marks)
(ii) Distribution of Profits (RM) for each deposit. (6 marks)
(iii) Profits for Depositors (RM). (6 marks)
(iv) Profits for Banks (RM). (6 marks)

Distribution of Gross Revenues Attributable to Depositors and the Bank

Types of Deposit	Monthly Average Daily Balance (RM)	Weight	Proportion for Depositors	Proportion for Bank
Savings	311.5 m	1.00	0.5	0.5
Investment				
1 month	72.14 m	0.80	0.70	0.30
3 months	124.16 m	0.85	0.70	0.30

(TOTAL: 25 MARKS)

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